

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA)
) Criminal No. 10-144
) (18 U.S.C. § 1349)
)
v.)
)
JASON SHERAW)
LEWIS WHOOLERY)

SUPERSEDING INDICTMENT

COUNT ONE

The grand jury charges:

INTRODUCTION

1. At all material times to the superseding indictment, the defendant, LEWIS WHOOLERY, worked at First Capital Home Equity, a mortgage broker company that assisted individuals to obtain financing collateralized by real estate.

2. At all material times to the superseding indictment, Kimberly Baldwin provided appraisal services to First Capital Home Equity.

3. At all material times to the superseding indictment, the defendant, JASON SHERAW, was a licensed appraiser.

THE CONSPIRACY AND ITS OBJECTS

4. From in and around January 2003, and continuing thereafter until in and around November 2006, in the Western District of Pennsylvania and elsewhere, the defendants, JASON SHERAW and LEWIS WHOOLERY, knowingly and willfully did conspire, combine, confederate and agree with Kimberly Baldwin, Kenneth Cowden, Shawn Cupp, Jeannette Gray, Daniel O'Connor, Lawrence Kraynak, John

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Polosky, Daniel Gillen, and other individuals known to the grand jury, to commit an offense against the United States, that is, Wire Fraud, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS OF THE CONSPIRACY

5. It was a part of the conspiracy that the defendant, LEWIS WHOOLERY, and other individuals associated with First Capital Home Equity, submitted loan applications to lenders that, as the defendant, LEWIS WHOOLERY, and the other individuals then well knew, contained material misrepresentations about the borrowers' financial condition, including but not limited to their income and their assets.

6. It was further a part of the conspiracy that the defendant, LEWIS WHOOLERY, and other individuals associated with First Capital Home Equity, submitted false documents in connection with the loan applications, including but not limited the following:

(a) Documents that supported the misrepresentations on the loan applications related to the borrowers' assets;

(b) Appraisals that fraudulently inflated the true value of the properties; and

(c) Appraisals that falsely represented that they were prepared by licensed appraisers when they were actually prepared by unlicensed appraisers.

7. It was further a part of the conspiracy that the defendant, LEWIS WHOOLERY, entered into an agreement with Jeannette

Gray in which the defendant, LEWIS WHOOLERY, agreed to pay Jeannette Gray in exchange for allowing other individuals, including but not limited to Kimberly Baldwin, to prepare appraisals for First Capital Home Equity under the name of the Jeannette Gray as if the appraisals had been prepared by the Jeannette Gray.

8. It was further a part of the conspiracy that Kimberly Baldwin and Kenneth Cowden prepared and submitted appraisals to lenders as if the appraisals were prepared by Jeannette Gray when, in fact, as the defendant, LEWIS WHOOLERY, then well knew, the appraisals were not prepared by Jeannette Gray

9. It was further a part of the conspiracy that the defendant, LEWIS WHOOLERY, entered into an agreement with the defendant, JASON SHERAW, in which the defendant, LEWIS WHOOLERY, agreed to pay defendant JASON SHERAW in exchange for allowing Kimberly Baldwin to prepare appraisals for First Capital Home Equity under the name of defendant JASON SHERAW as if the appraisals had been prepared by defendant JASON SHERAW.

10. It was further a part of the conspiracy that Kimberly Baldwin prepared and submitted appraisals to lenders as if the appraisals were prepared by defendant JASON SHERAW when, in fact, as the defendants, LEWIS WHOOLERY and JASON SHERAW, then well knew, the appraisals were not prepared by defendant JASON SHERAW.

11. It was further a part of the conspiracy that Kimberly Baldwin and Kenneth Cowden prepared appraisals knowing that the

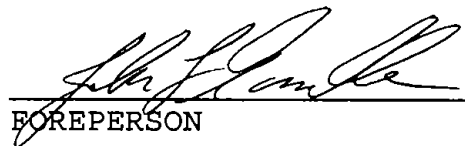
appraisals overstated the true fair market values of the properties.

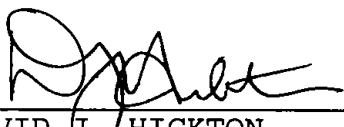
12. It was further a part of the conspiracy that the defendant, LEWIS WHOOLERY, as was reasonably foreseeable to the defendant, JASON SHERAW, submitted and caused the submission of fraudulent loan applications and other fraudulent documents through the use of the interstate wires, in furtherance of the Wire Fraud scheme.

13. It was further a part of the conspiracy that the defendant, LEWIS WHOOLERY, as was reasonably foreseeable to the defendant, JASON SHERAW, caused wire transfers from the accounts of lending institutions, located outside the Commonwealth of Pennsylvania, to the accounts of the closing agents located in the Western District of Pennsylvania, in furtherance of the Wire Fraud scheme.

All in violation of Title 18, United States Code, Section 1349.

A True Bill,


FOREPERSON



DAVID J. HICKTON
United States Attorney
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